

"HCFA Yesterday : Today
... How We Do Our Work"

HANDOUTS

5/96



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RA
410
.53
H44
1996

KEEP HANDOUTS WITH
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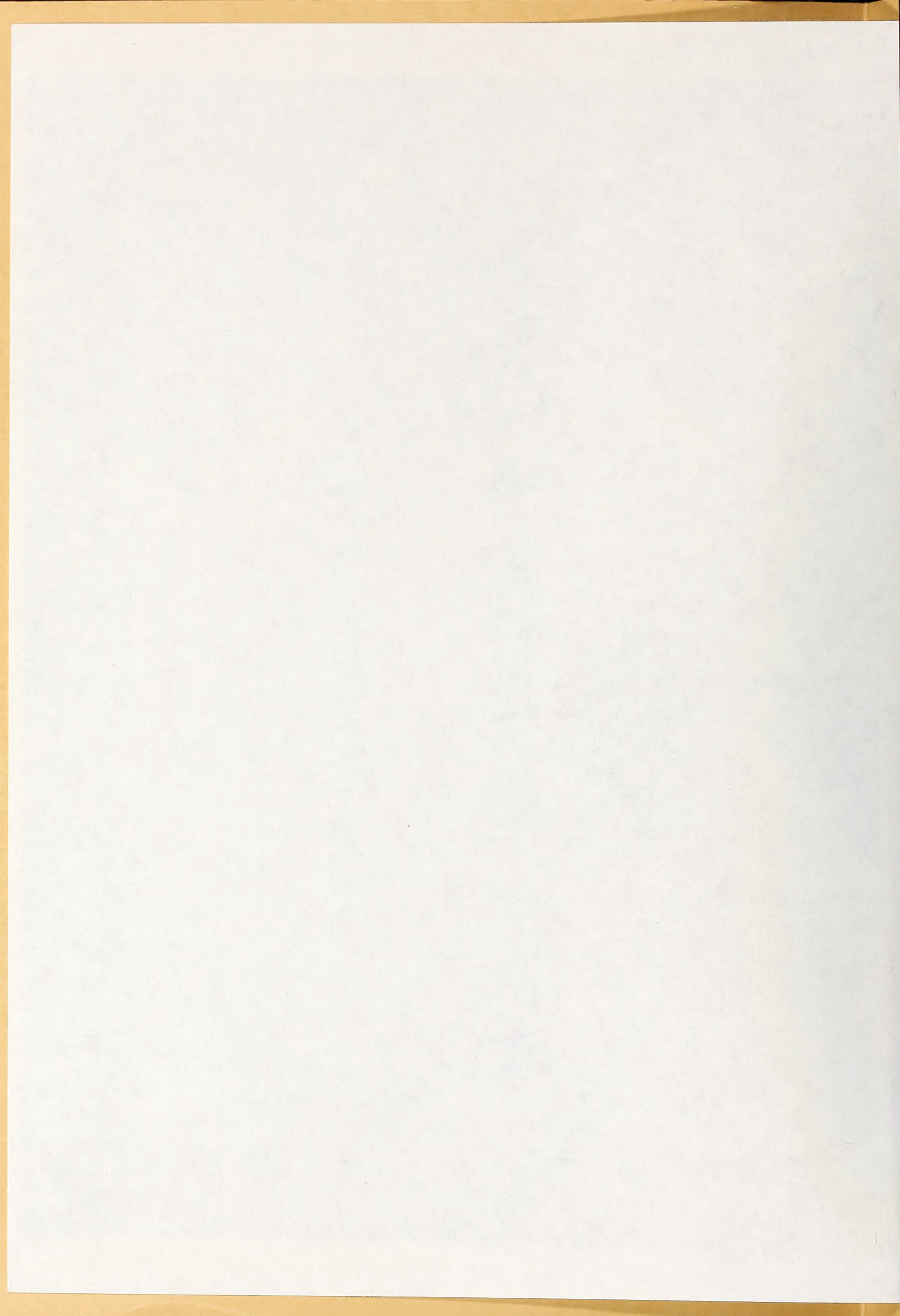
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HCFA: Yesterday & Today

How We Do Our Work

5/20/96

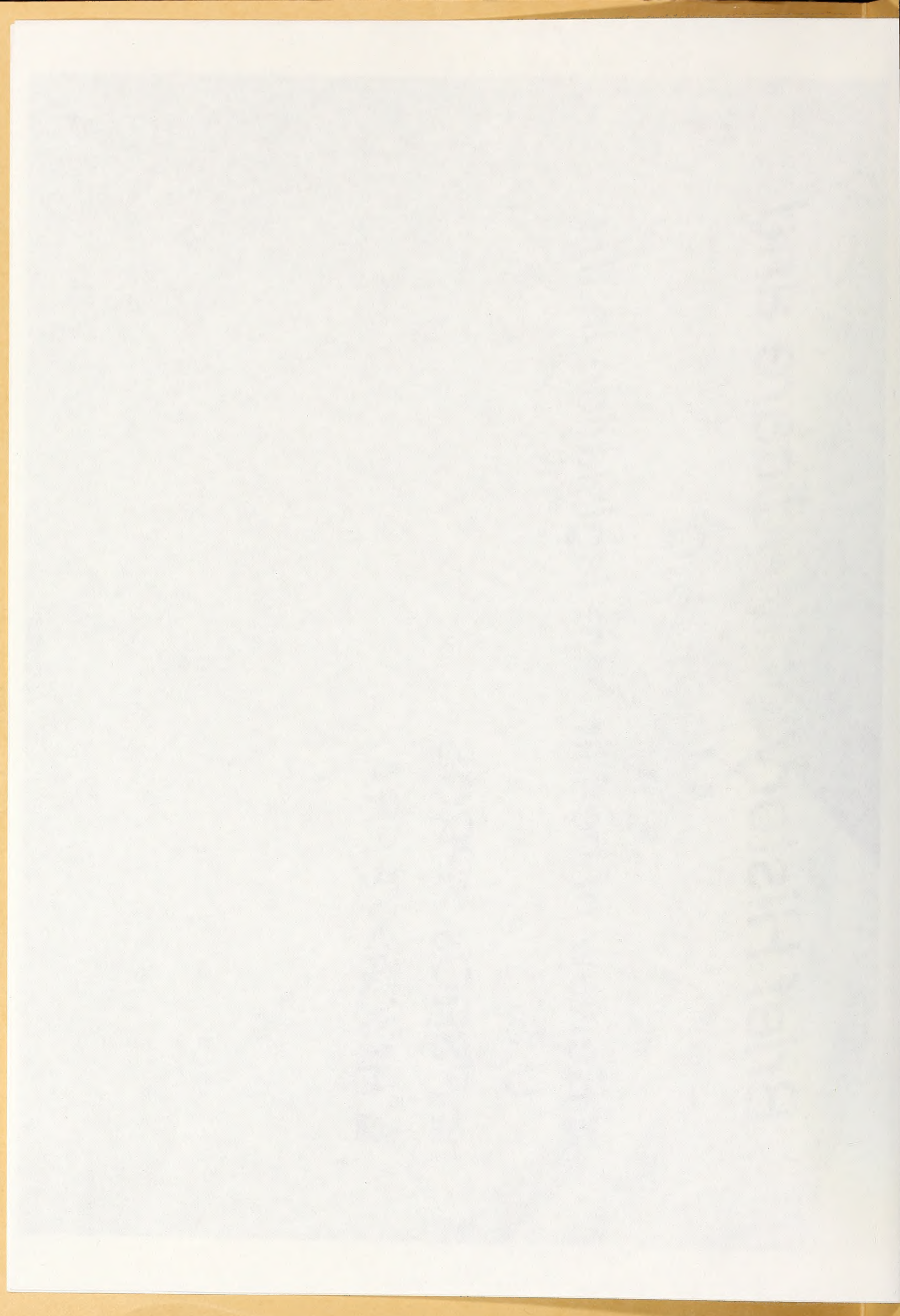


Brief History of Medicare and Medicaid

- *Review of health care legislation in the U.S..*

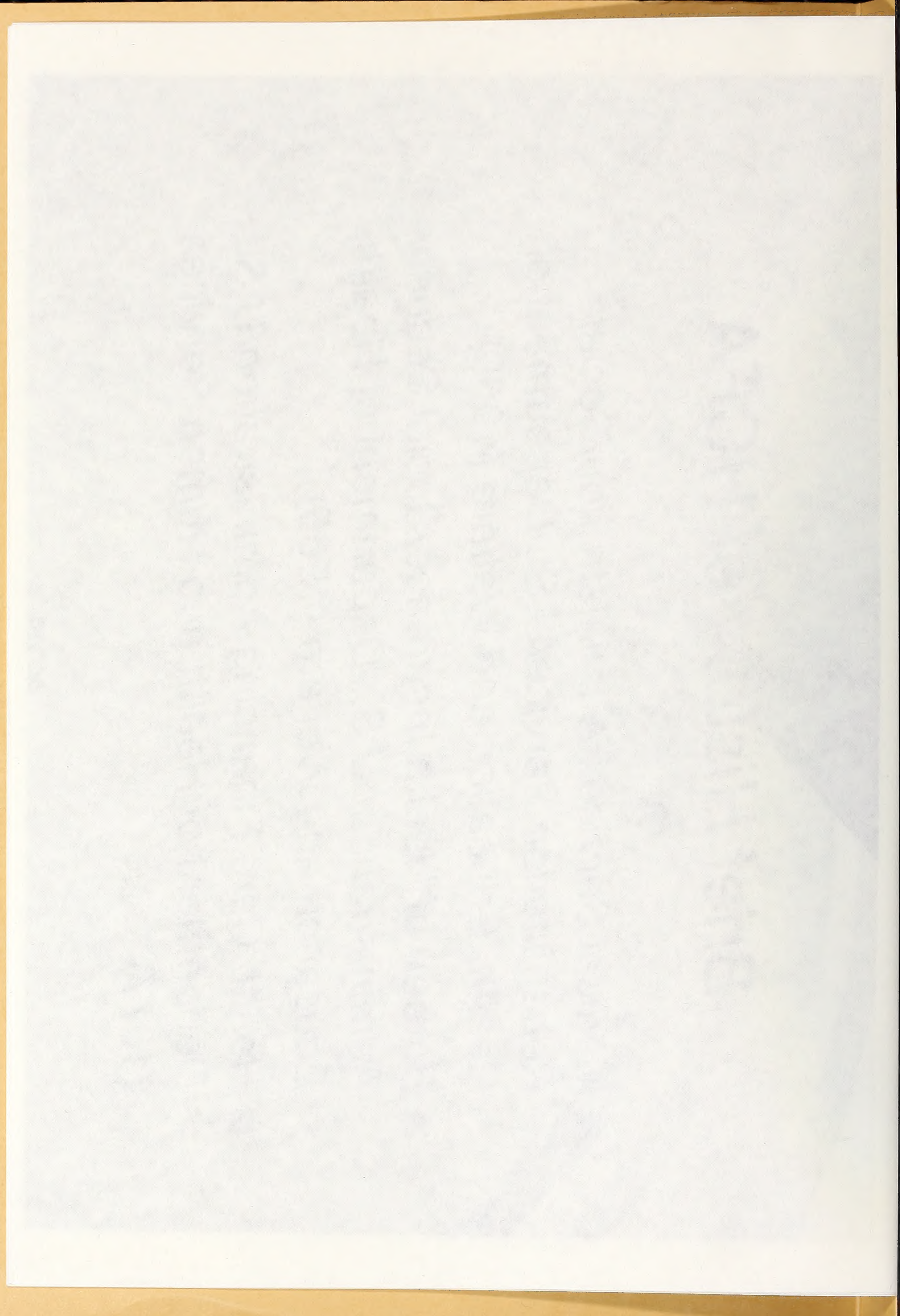
- *PSROS > PROS*

- *HMOs > TEFRA*



Brief History of HCFA

- *Medical Services Administration/Social Rehabilitation Service/U.S.. Department of Health, Education and Welfare (1965)*
- *Bureau of Health Insurance/Social Security Administration/ U.S.. Department of Health, Education and Welfare (1965)*
- *Health Care Financing Administration/U.S.. Department of Health and Human Services (1977)*



Key HCFA Functions

- *Policy Formulation*
- *Program Management*
- *Administration*



Policy Formulation

- Office of Legislation and Intergovernmental Affairs (OLIGA)
- Bureau of Policy Development (Medicare)
- Office of Research and Demonstrations (Medicare and Medicaid)
 - Research
 - Demonstrations



Program Management

■ *Bureau of Program Operations
(Medicare)*



Policy Formulation and Program Management

- *Health Standards and Quality Bureau
(Medicare and Medicaid)*
- *Medicaid Bureau*
- *Office of Managed Care*



Administration

■ Bureau of Data Management and

Strategy

- HCFA Data Center
- Statistics
- Information Resource Management

■ Office of Financial and Human

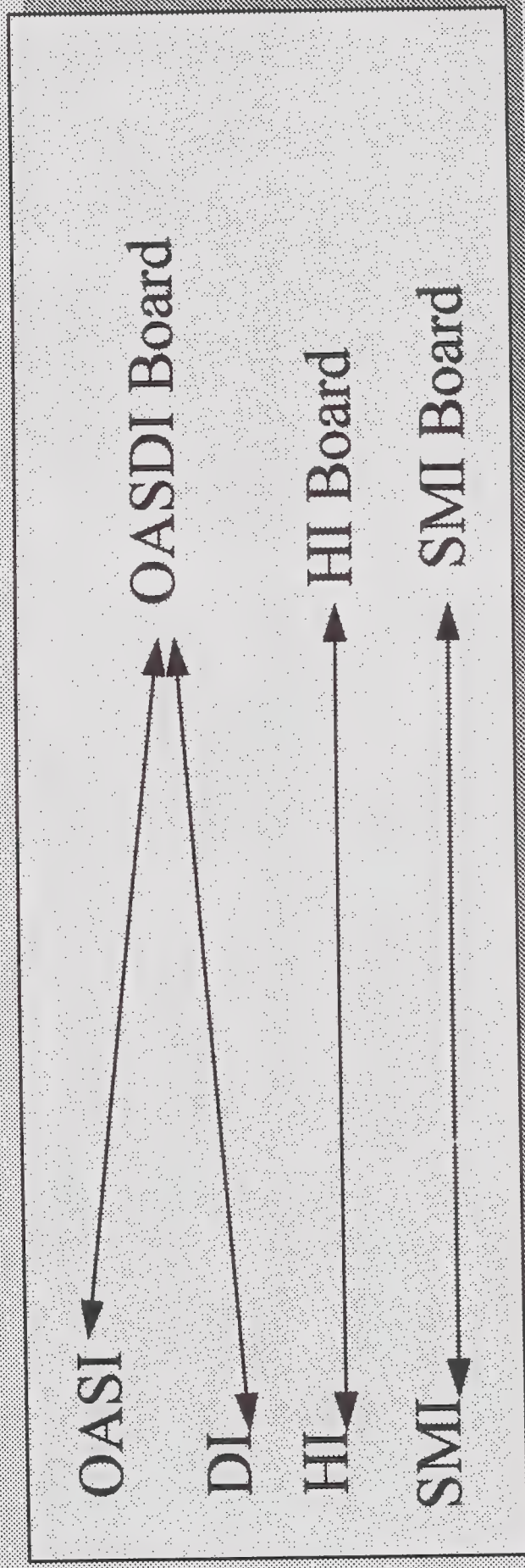
Resources

- budget; payroll; personnel; housekeeping



Trust Funds

- There are 4 Trust Funds and 3 Boards of Trustees
- All 3 boards have the same members





Trust Funds--Board of Trustees

- *Ex Officio Members:*
 - Secretary of Treasury -- *Managing Trustee*
 - Secretary of Health and Human Services
 - Secretary of Labor
 - Commissioner of Social Security
- *Public Members:*
 - Marilyn Moon
 - Stephen Kellison
- Secretary of the board for Medicare Trust Funds
 - Administrator, Health Care Financing Administration
- Secretary of the Board for Social Security Trust Funds
 - Commissioner of Social Security



Boards' Responsibilities

- *Hold the trust funds*
- *Report to Congress each year about the operation and status of the trust funds*
- *Report to Congress immediately when they believe that the amount in any trust fund is too small*
- *Review the policies followed in managing the trust funds and recommend changes*



Board's Limits

- *Trustees are not personally liable for actions taken in regard to the trust funds*
- *Trustees cannot by themselves affect the income or distribution of the trust funds*
- *Trustees have no latitude in how funds are invested*



The Social Security Payroll Tax

1994

Maximum Taxable Earnings

OASDI \$60,000

HI No Limit

Tax Rates for—

Employers and employees each:

Total

7.65%

OASDI

6.20%

HI

1.45%

Self-employed:

Total

15.30%

OASDI

12.40%

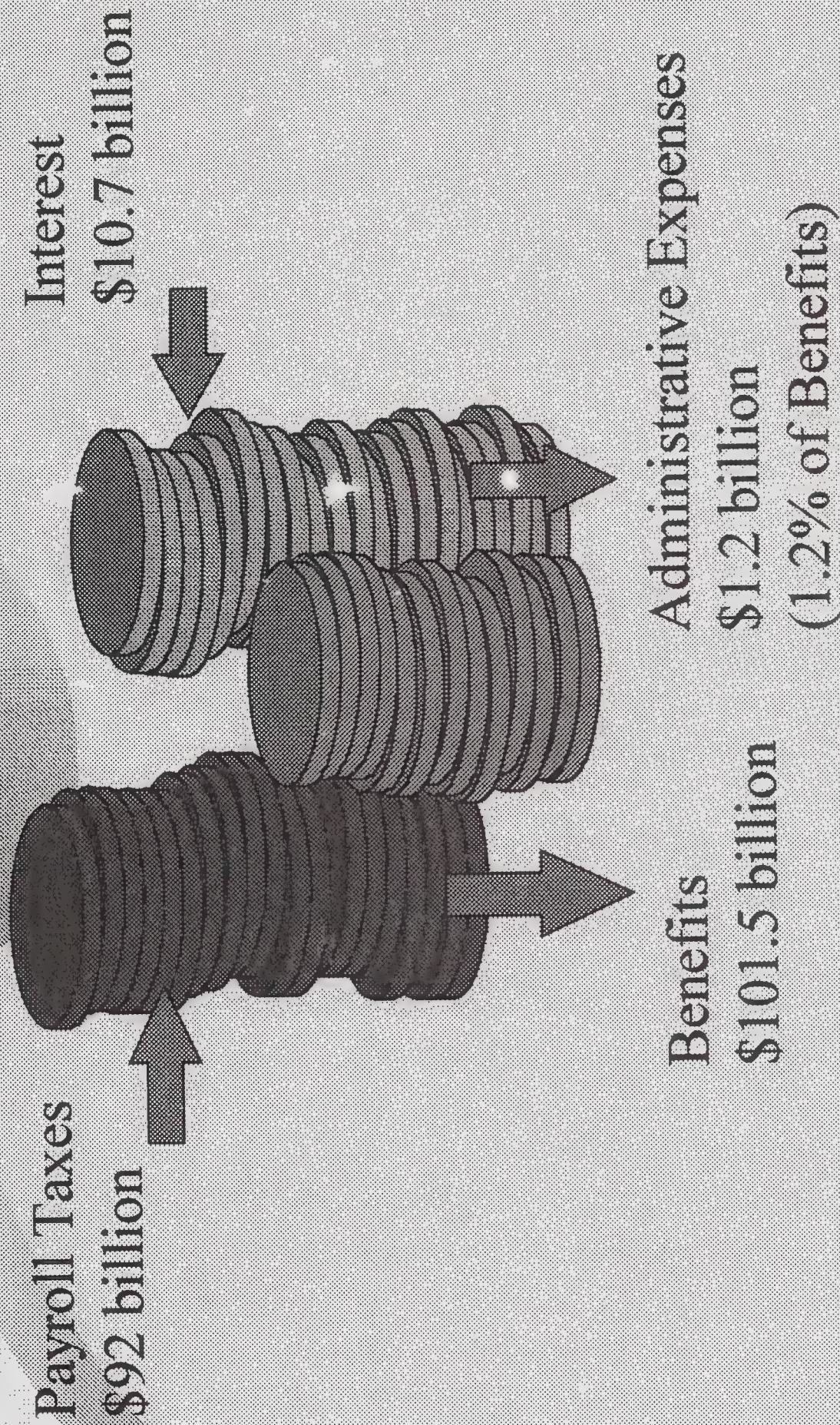
HI

2.90%



Income and Outgo

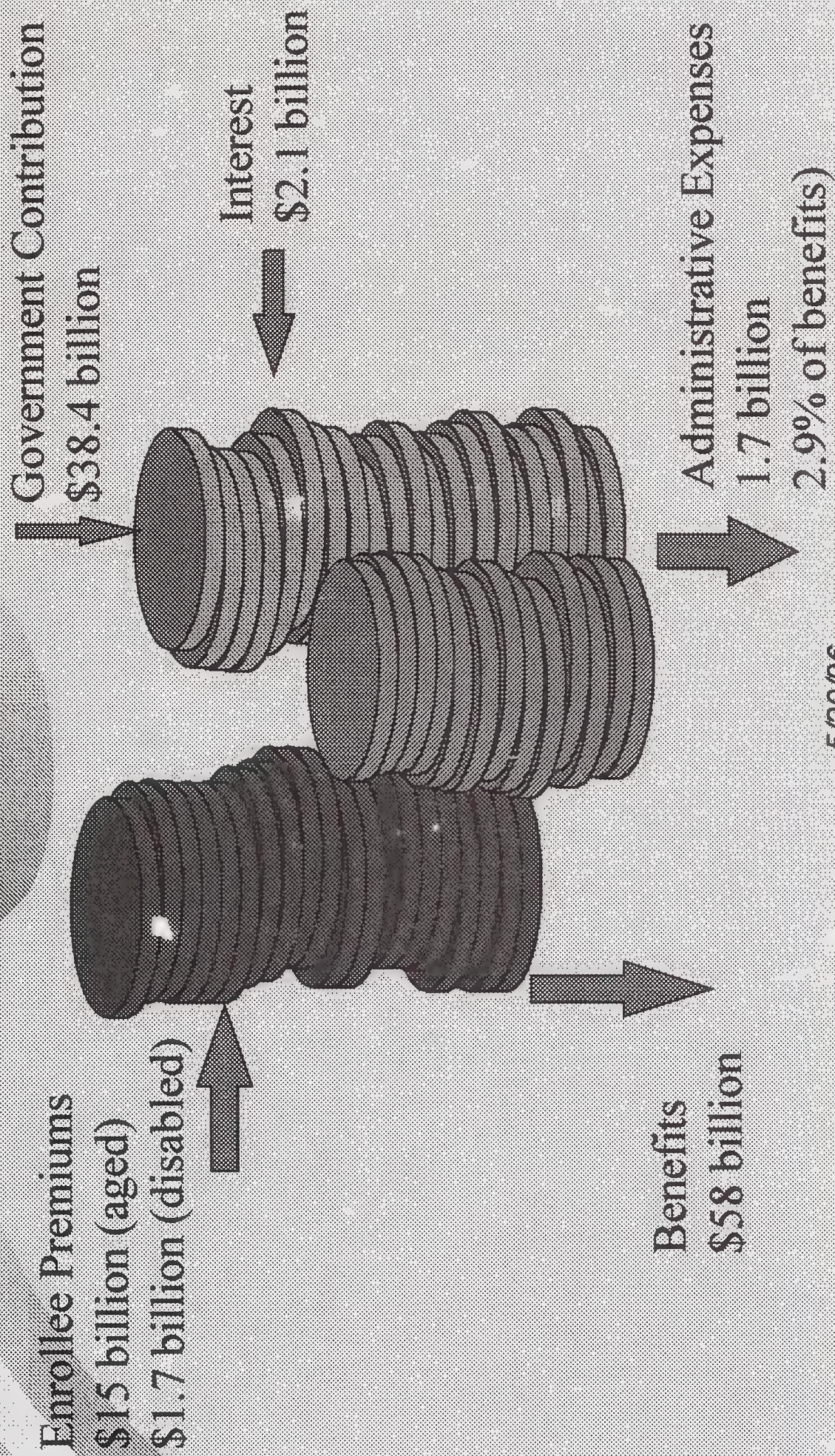
HI Fund





Income and Outgo

SMI Fund





The President's Budget

■ *OMB prepares a budget to accompany the President's annual State of the Union Address*

■ *Federal Fiscal Year*

- *Now 10/1 -9/30.*
- *Used to be 7/1 -6/30.*



The President's Budget (Cont)

- *BPO budget for contractors is rolled up into the HCFA budget, the Department's budget and the President's budget.*
- *Iteration process begins about 18 months **before** the fiscal year.*
 - *agency budget preparation*
 - *departmental review*
 - *OMB review and passback*
 - ♦ *Thanksgiving surprise*
 - *Secretarial appeal*
 - *final President's budget*



The President's Budget (Cont)

■ You participate by:

- helping formulate your initiatives and cost estimates
- briefing departmental and OMB budget examiners
- preparing testimony for the Secretary and

Administrator

- ♦ prepared remarks
- ♦ Q & As
- working with OLIGA staff to explain proposals and costs to hill committee staffs before and during budget mark-ups.



Congressional Appropriations Process

■ Background

– The Congressional Budget & Impoundment Act of 1974

- ♦ Created Budget Committees in both the House and Senate
- ♦ Created the Congressional Budget Office (CBO)
- ♦ Provided Congress with a procedure for establishing appropriate budget and revenue levels for each year



Congressional Appropriations Process

■ The Procedure

- The Congressional budget process begins with **concurrent resolutions** on the budget
 - ♦ concurrent resolutions are passed each year, setting spending ceilings for the following fiscal year and setting the total amount of money to be appropriated
- One of the mechanisms Congress uses to enforce projected budget authority and spending, revenue, and debt levels is called the **reconciliation** process



Congressional Appropriations Process

■ Concurrent Resolutions

- *These resolutions are designed to coordinate the revenue and spending decisions that the various legislative committees of Congress make in acting on measures within their respective jurisdictions*
- *Congress must complete action on a concurrent resolution on the budget for the next fiscal year by April 15.*



Congressional Appropriations Process

■ Reconciliation

- Under reconciliation Congress directs legislative committees to determine and recommend changes in laws or bills that will achieve the levels set by the budget resolution
- The Committee on the Budget then reports an omnibus reconciliation to the floor for consideration by the whole Congress



From Idea to Law--HCFA & The Legislative Process

■ *It All Begins with an Idea*

- *You have an idea, one that's sure to improve Medicare, but who do you tell?*

■ *What We Do*

- *An idea is outlined in what we call an A-19*
 - ♦ *A-19s are the mechanism HCFA uses to communicate its legislative ideas to the Secretary*



From Idea to Law--HCFA & The Legislative Process

■ What the Department Does

- The Department routinely meets with congressional staffers to share ideas for legislative improvements that will help HCFA administer the Medicare and Medicaid programs more effectively or more efficiently*
- Helps Members Draft Bill Language*
- Works with interested or affected parties to gain acceptance*



From Idea to Law--HCFA & The Legislative Process

■ What Congress Does

- A Member introduces the bill (only a member can introduce legislation)
- Considers the bill on its own merit
- Considers the opinions of interested and affected parties
- Acts on the bill, either by vote or inaction



How HCFA Develops Policy

- *Interprets the intent of the law*
- *Determines the most suitable approach for placing the law into effect*
- *Considers current clinical practices*
- *Develops rule whenever necessary*
- *Monitors policy to measure its effectiveness*

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